

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PacifiCorp (U 901 E) and Scottish Power plc for Exemption from the Merger Approval Requirements of Cal. Pub. Util. Code Sec. 854.

Application 99-01-036
(Filed January 26, 1999,
Petition for Modification
filed October 22, 2001)

**OPINION GRANTING PACIFICORP'S PETITION FOR
MODIFICATION OF DECISION 99-06-049
RE TELEPHONE RESPONSE STANDARD**

Decision (D.) 99-06-049 granted the joint application of PacifiCorp and Scottish Power plc (Scottish Power) (collectively the Joint Applicants) for an order authorizing Scottish Power and PacifiCorp to merge pursuant to their December 6, 1998 Agreement and Plan of Merger, subject to various conditions, including implementation of a number of Performance Standards proposed by the Joint Applicants. PacifiCorp seeks modification of the decision regarding one standard: the Customer Service Performance Standard addressing response times for PacifiCorp Business Center incoming telephone calls.

Among the Customer Service Performance Standards adopted by the Commission was Customer Service Performance Standard B.1, which provides, in relevant part:

“1. Telephone Service Levels. Within 120 days after completion of the transaction, 80% of calls to PacifiCorp's Business Centers will be answered within 30 seconds. This target will be increased to 80% in 20 seconds by January 1, 2001, and 80% in

10 seconds by January 1, 2002.” (See D.99-06-049, Appendix A, Section B.1.)

PacifiCorp reported to the Commission on August 31, 2001, that it is meeting this performance standard. The Joint Applicants assert that they surpassed the 80%-in-30 seconds (80/30) target during the first year following the merger, and are meeting the 80%-in-20 seconds (80/20) target which took effect January 1, 2001.

In this request for modification, PacifiCorp seeks to eliminate the 80%-in-10 seconds (80/10) target that is to go into effect January 1, 2002. PacifiCorp says that at the time this commitment was made, today’s energy environment with tight energy supplies, volatility in energy markets, and the increase in the number of programs (e.g., Customer Energy Challenge, demand-side management programs, etc.) was not envisioned. PacifiCorp says it has made technology improvements over the past few years which have improved work queue management while ensuring that customer calls are handled as quickly as possible; but these improvements did not offset an unanticipated increase in the volume of calls as well as the receipt of more complex calls by PacifiCorp’s Business Centers. In addition, the company is striving to resolve the customers’ concerns during the first call, thus potentially lengthening the duration of calls.

PacifiCorp states that it conducted a Residential Focus Group Research Report in December 2000, in which its customers indicated that the goal of answering 80% of calls within 10 seconds was unnecessary and not particularly important. In this research, customers were concerned that the quality of service would suffer in the haste to answer calls. The customers in the focus groups reported that 80/10 would not increase their level of satisfaction. PacifiCorp’s “pulse” research in 2000 showed that customer satisfaction with the 80/30

standard was 70.4% “very satisfied.” The “pulse” research is a monthly telephone survey of 200 randomly selected customers throughout the company’s service territory. Through August 2001, customer satisfaction with wait times was 70.2% “very satisfied” although the standard was raised to 80/20 effective January 1, 2001.

PacifiCorp contends that the current 80/20 standard is on the high end relative to the level of service provided by other electric utilities based on preliminary benchmarking data, which shows that no other electric utility in the U.S. has a target higher than 80% of calls answered in 20 seconds. (Edison Electric Institute’s 2001 Call Center Benchmarking Study.)

PacifiCorp believes that the service received by customers as a result of increasing telephone service levels to 80/20 has significantly and measurably increased customer satisfaction. Its research shows that satisfaction with wait time to speak to a customer service representative has increased from 62.7% “very satisfied” in 1998 to 70.2% “very satisfied” year-to-date in 2001 (January-August). PacifiCorp asserts that achieving 80/10 would not increase customer satisfaction and is not considered important to customers. It says eliminating the 80/10 response time in no way lessens its commitment to service excellence in all areas of performance; it will continue to monitor customer satisfaction levels to ensure that these levels remain high.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

This petition was served on all parties to the application. The Office of Ratepayer Advocates has no objection to granting the petition. There are no protests. We are satisfied that PacifiCorp remains committed to customer service

and that the 80/10 standard may not be realistic at this time. The petition will be granted.

Findings of Fact

1. PacifiCorp is providing satisfactory service in answering 80% of calls to its Business Centers within 20 seconds.

2. Implementing an 80/10 standard is not expected to increase customer satisfaction, and is not necessary at this time.

Conclusion of Law

The petition is reasonable and should be granted as set forth in the following order.

O R D E R

IT IS ORDERED that:

1. Decision (D.) 99-06-049 is modified by deleting the phrase “and 80% in 10 seconds by January 1, 2002,” from Customer Service Performance Standard B.1. in Appendix A of D.99-06-049.

2. This proceeding is closed.

This order is effective today.

Dated _____, at San Francisco, California.